

Kentucky Teachers' Retirement System

479 Versailles Road
Frankfort, KY 40601-3800

**REQUEST FOR PROPOSAL
INVESTMENT CONSULTING SERVICES**
February 27, 2009

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I. INTRODUCTION

The Kentucky Teachers' Retirement System (KTRS) is requesting proposals from qualified general investment consulting firms to provide services as described. The objective of the consulting firm will be to assist the KTRS and staff in developing and carrying out investment policies that are designed to ensure that sufficient assets are available to meet current and future benefit obligations.

KTRS is soliciting proposals from general investment consulting firms with broad investment expertise.

II. BACKGROUND

KTRS, an \$11.4 billion fund, is responsible for the investment of funds and administration of benefits for over 75,539 active members and 40,739 annuitants. The KTRS Investment Committee has been delegated the authority to implement the investment policy and act on behalf of the Board of Trustees on all investment related matters.

The KTRS investment staff is responsible for administration of investment assets consistent with guidelines established in governing law and Board policy.

The asset allocation as of December 31, 2008 is provided below. Additional information regarding KTRS is available in the CAFR at our website (www.ktrs.ky.gov).

Allocation	Percent of Assets in Category
Cash Equivalents	2.3%
Fixed Income	34.2%
Domestic & International Equities	58.3%
Real Estate	3.8%
Alternative Investments	1.4%

III. SCOPE OF SERVICES

KTRS is seeking the services of one or more investment consulting firm(s) to assist it on an on-going basis in the selection, monitoring, and evaluation of its investment programs and investment managers. Services to assist the KTRS and KTRS investment staff are to include, but are not limited to the following:

- Investment Policy, Strategy and Procedures – reviewing investment-related policies, strategies and procedures and making appropriate recommendations for changes.

- Portfolio Analysis – in accordance with KTRS' schedule and the actuarial analysis performed by the KTRS actuary, reviewing asset allocations and structures and making recommendations for appropriate changes.
- Reporting – provide quarterly performance reports, including performance data and analysis for the total fund, individual asset classes; detailed analyses, including return attribution analysis, portfolio characteristics, style and risk analysis, comparisons to other public pension funds; and holdings analysis relative to benchmarks in compliance with CFA Institute Standards.
- Manager Research and Analysis - provide KTRS investment staff with ongoing advice, and access to resources dedicated to investment manager research and analysis which will cover current and potential KTRS investment staff efforts to track top-tier investment managers who follow public and/or private markets.
- Research - annually provide a written report on the state of investment markets, including a review of global financial markets, global geopolitical and macroeconomic factors affecting financial markets, and detailed reviews of relevant public and private equity, fixed income, and real estate markets and sectors; quarterly provide summary overviews of such markets; periodically inform of market anomalies that arise which potentially could create risk or opportunity for KTRS assets; provide information, research and analysis related to emerging investment concepts which may be of benefit to KTRS; and, provide occasional special research and analysis on questions or issues that may arise.
- Training and Development - The firm chosen may be required to conduct one or more educational workshops annually for the KTRS Board of Trustees and/or KTRS investment staff on specific investment related issues. The location and duration of such workshops will be determined by KTRS.
- Meetings – meet at least quarterly with the KTRS and KTRS investment staff, and as otherwise needed.

IV. PROPOSAL SPECIFICATIONS

Response Deadline

The completed Response must be delivered by **March 23, 2009, 4:30 p.m. (prevailing local time Frankfort, Kentucky)**. Any Response delivered after the Response deadline will not be considered. Faxed transmissions are not acceptable. You should submit five **(5) paper copies and one (1) electronic copy of the Response** to Sandra Shroat Bush at the address below as follows:

Sandra Shroat Bush
Kentucky Teachers' Retirement System
479 Versailles Road
Frankfort, KY 40601-3800
sandrashroat.bush@ky.gov

The questions and/or requests made in this RFP shall be duplicated in their entirety in the Response with each question and/or request repeated before the answer or response.

The Response must be accompanied by a cover letter that should be signed by at least one individual who is authorized to bind the firm contractually. The cover letter must include: a) the firm name, address, E-mail address and telephone/fax numbers; b) the client contact; c) the title or position which the signer of the cover letter holds in the firm; and d) a statement to the effect that the Response is a firm and irrevocable offer of the firm.

The Representations and Warranties contained in Section VIII of this RFP, signed by an authorized officer of the firm, must be included as an attachment to the cover letter previously referenced.

Communications with KTRS

Firms which intend to submit a Response should not contact any member of the KTRS Board of Trustees, KTRS investment staff, or other employee of KTRS. An exception to this rule applies to firms who currently do business with KTRS, but any contact made by such firm(s) with persons should be limited to that business, and should not relate to this RFP. In addition, such firms should not discuss this RFP with any employee of KTRS' custodian (Bank of New York Mellon), outside managers, or consultants.

Questions Relating to this RFP

All questions concerning this RFP must be submitted in writing both by email to Sandra Bush at sandrashroat.bush@ky.gov and in writing by facsimile to KTRS fax number (502) 848-8518. Questions submitted after the question deadline will not be considered.

Insurance Requirements

KTRS will require an investment consulting firm to carry adequate fiduciary liability insurance, errors and omissions insurance, and fidelity bond insurance. Policy limits and coverage terms must be disclosed and the adequacy of insurance discussed in the proposal. If retained, the firm will be required to certify that the firm is in compliance with this requirement.

V. SELECTION PROCESS

Selection of Investment Consultant Firm

KTRS staff will evaluate all Responses having met established criteria. Based upon this review, the KTRS staff will invite chosen candidates to make a presentation in Frankfort, KY. KTRS staff may conduct due diligence visits to selected candidates' offices. KTRS staff may invite certain finalists to return after the finalist presentation for further discussions. KTRS staff may approve, fail to approve, or modify the scope of services and fees of the selected investment consultant firm(s).

VI. TENTATIVE TIME TABLE

The following is the tentative time schedule for KTRS' search for firms to provide investment consulting services. All dates are subject to modification by KTRS. All referenced time is prevailing local time in Frankfort, Kentucky.

Issuance of RFP	February 27, 2009
Question Deadline	Friday, March 6, 2009, 4:30 p.m.
Response to Written Questions	Friday, March 13, 2009
RFP Response Deadline	Monday, March 23, 2009, 4:30 p.m.
KTRS Staff Evaluation of Proposals	Wednesday, April 1, 2009
Interviews with KTRS Staff	April 6 – April 17, 2009
Finalist Firms Presentation to KTRS	Friday, April 24, 2009 and Friday, May 8, 2009
Selection by KTRS	Monday, June 15, 2009
Projected Commencement Date	Wednesday, July 1, 2009

VII. CRITERIA

A. Minimum Qualifications

All firms submitting Responses must meet the following minimum criteria:

1. Be a registered investment advisor under the Investment Company Act of 1940;
2. Agree to act as a "fiduciary" with respect to KTRS;
3. Have been in business for a minimum of five years; if the firm has not been in business for at least five years, the senior principals of the firm must have at least ten years experience with institutional clients at an investment consulting firm;
4. Have provided similar investment consulting services to other public retirement systems of similar asset size to KTRS;
5. Employ a professional team or department dedicated to investment manager research and analysis;

6. Have individuals assigned to KTRS with a minimum of five years professional experience in the investment consulting field; and
7. Disclose all conflicts of interest, all sources of revenue and all affiliations especially, but not limited to, broker/dealers, fund-of-funds, investment managers recommended by the firm.

B. Selection Criteria

The criteria for selection will include, but are not limited to the following.

1. Stability and experience of investment consulting firm.
(represents 20% weight in final score)
2. Stability and experience of the personnel assigned to KTRS.
(represents 20% weight in final score)
3. Depth of knowledge, experience and resources to provide required services.
(represents 20% weight in final score)
4. Independence of judgment and avoidance of conflicts of interest in providing services. (represents 20% weight in final score)
5. Proposed initial fees and renewal fees. (represents 20% weight in final score)

VIII. REPRESENTATIONS AND WARRANTIES

All respondents are required to submit an executed copy of the following Representations and Warranties as an attachment to the cover letter described in Section IV of this RFP:

- A. Respondent warrants that it will not delegate its fiduciary responsibilities.
- B. Respondent warrants that it has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents or examinations required by a government or governmental authorities.
- C. Respondent warrants that it meets all of the minimum qualifications applicable to the firm under Section VII. A. of this RFP as follows [list each and specifically describe how your firm meets each item]:
 1. Be a registered investment advisor under the Investment Company Act of 1940;
 2. Agree to act as a “fiduciary” with respect to KTRS;
 3. Have been in business for a minimum of five years; if the firm has not been in business for at least five years, the senior principals of the firm must have at least ten years experience with institutional clients at an investment consulting firm.

4. Have provided similar investment consulting services to other public retirement systems of similar asset size to KTRS;
 5. Employ a professional team or department dedicated to investment manager research and analysis;
 6. Have individuals assigned to KTRS with a minimum of five years professional experience in the investment consulting field; and
 7. Disclose all conflicts of interest, all sources of revenue and all affiliations especially, but not limited to, broker/dealers, fund-of-funds, investment managers recommended by the firm.
- D. Respondent warrants that it has not paid and will not pay, has not given and will not give, any remuneration or value directly or indirectly to KTRS or any of its board members, officers, employees, officials of the Commonwealth of Kentucky, or agents, or any third party except as disclosed to KTRS with its response to this RFP or otherwise, including, but not limited to, a finder's fee, cash solicitation fee, or a fee for consulting, lobbying or otherwise.
- E. Respondent warrants that it has established ethics and conflicts of interest policies and procedures, and proper internal compliance controls are in place.

Name of Firm

Date

Signature

Title

IX. QUESTIONNAIRE

Responses to the following questions should repeat the question and be answered in order. Limit responses to no more than one-half page.

A. FIRM

1. Provide the name of the firm, and its principal office's address and telephone number. Provide the firm's other office locations; the number of employees in each office and describe the functions of and/or services provided by each office. State which office(s) would provide services to KTRS if the firm is selected.
2. Provide the name, address, telephone number, FAX and email address of the firm's primary contact for this proposal.
3. Describe the firm's history including the year it was first established, the year it began providing investment consulting services, and the year it began providing investment consulting services to tax-exempt clients and public pension plans.

4. List the current owners of the firm in descending order of percentage ownership. Attach a chart showing the current ownership structure including any parent, affiliated, and/or subsidiary company, and any business partners. Indicate if consulting personnel in the firm are employed or perform work for any parent, affiliate, and/or subsidiary company or business partner.
5. Attach the firm's organizational chart and describe the relationship among the components and the consulting group. Indicate if consulting personnel in the firm also are assigned to perform work for any other component of the firm.
6. Within the past three years, have there been any significant changes in ownership, restructuring, or personnel reorganizations? Do you anticipate future significant changes in your organization? If the answer to these questions is yes, explain.
7. Describe how the firm manages growth, including any limits to client/consultant ratio.
8. Provide the names of clients, contact person and telephone number for:
 - a. Three current defined benefit public pension plan clients with at least \$5 billion of assets that have used the firm's investment consulting services for at least five years;
 - b. Investment consulting clients that have, within the last five calendar years, terminated their relationship with the firm. You may provide the reason for the termination.
9. Provide the name of each institutional investor client and assets under advisement for which the firm has provided full-retainer investment consulting services during the last five years. You may attach a representative listing of clients larger than \$5 billion in assets.
10. Provide a breakdown of the type of clients such as public funds, corporations, foundations, etc., to whom the firm provides services.
11. Provide a breakdown of the assets as a percentage and dollar amount the firm advises on such assets as domestic equities; international equities; fixed income, and other specific types of assets.
12. Provide a complete copy of the firm's most recent Form ADV (Parts I and II and accompanying schedules).
13. What are the firm's key strengths, competitive advantages, and weaknesses?
14. Describe the firm's opinion on:
 - a. Active versus passive management;
 - b. Internal versus external management;

- c. Use of fund-of-funds or commingled funds versus direct investments, as well as co-investment vehicles;
 - d. Use of hedge funds in asset allocation, portable alpha strategies, and other alternative strategies;
 - e. Global market exposure and management.
- 15. Describe the level of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance the firm carries.
 - 16. Does the firm have a web presentation and video conferencing capabilities?
 - 17. Does the firm have a website? If so, would the client be able to access it for general investment information and research?
 - 18. Does the firm have a peer review program for consultants similar to that of auditors and actuaries? If so, describe such program.

B. PERSONNEL

- 1. State the number of investment consultants in the firm.
- 2. List the name and location of the primary individuals who will be responsible for the KTRS account, and attach biographies of each including educational qualifications, years of institutional investment experience if any, years of institutional investment consulting experience, total years with the firm, licenses held and publications. State the total number of accounts assigned to each of the individuals including the name of the plan, type of plan, length of relationship, and size. Identify and explain the role of any key backup personnel.
- 3. Provide biographies of the key individuals within each functional area.
- 4. Please list the primary investment consultant(s) current clients and engagements by asset size, type of client (e.g., public fund, corporate fund, (endowment) and type of engagement (e.g., general investment consulting services, project-based service).
- 5. Will KTRS be the only account for the primary investment consultant(s)? If not, how many client relationships will the primary investment consultant(s) have other than KTRS? What are the client/consultants and client/support personnel ratios for the firm?
- 6. Explain how the assigned consultant(s) would function, including the lead person, back-up, quality control procedures and support services.
- 7. List senior staff hires and departures over the last three years. For departures indicate the reason for separation from the firm.
- 8. Provide data relating to turnover ratios of your investment management research staff over the last three years.

9. Does your firm have a written code of conduct or ethics? How is it monitored and enforced? How many CFA's or CFA candidates do you have on staff?
10. Describe your firm's policy on changing staff assigned to a project. The eventual contract will specify that the replacement of staff on the KTRS account will require pre-approval by KTRS.
11. Describe the annual average turnover rate for the last five years for:
 - a. Total firm personnel;
 - b. Professional personnel;
 - c. CFA charter holders and candidates; and,
 - d. Technical personnel.

For professional personnel list the name, title and role, and year of departure.
12. Describe how your professionals are compensated and any initiatives used to enhance the likelihood that these individuals will continue employment with the firm.

C. SERVICES

1. List all of the firm's standard services provided in a typical pension plan consulting and performance evaluation relationship, and manager search and evaluation program. List other special or unique services that the firm has provided to other clients.
2. Briefly summarize the firm's philosophy relating to the consultant's relationship with KTRS Board Members, the Board's Staff and investment managers.
3. What is your approach to managing absolute and relative investment risk? Describe your general approach to controlling risk, e.g., do you favor the use of asset weight limits or risk limits, a combination, or other approaches?
4. Describe the firm's process for analyzing a client's existing Investment Policy. Describe the firm's method for recommending modifications and monitoring the Investment Policy and strategy.
5. Discuss in detail the theory and methodology of the asset allocation process you employ. How does your firm develop asset class assumptions? Provide a sample asset allocation report in the appendix of your response.
6. Describe the firm's asset/liability modeling capability, and portfolio structure analysis. Describe the manner in which the firm would assist the KTRS in recommending changes and monitoring asset mix.

7. How do you factor in the characteristics of plan liabilities in your asset allocation process?
8. Detail your process for recommending an overall portfolio structure. Give particular attention to its relationship with investment policy and asset allocation.
9. Detail all asset classes with which your firm has experience. In addition, please detail all asset classes with which you have assisted your clients in implementing.
10. Outline your process for maintaining and providing a continuous review of investment policy, asset allocation, and portfolio structure.
11. Describe your firm's involvement in preparing guidelines for investment managers. Provide samples of investment guidelines you have developed.
12. Describe the firm's process for evaluating a client's investment performance including determination and/or recommendation of benchmarks.
13. Provide the performance of your public fund clients versus their benchmark, their peer universe for one, three, five and ten years and their quartile rank for each period. Also provide the performance of all your clients versus their benchmark, their universe for one, three, five and ten years and their quartile rank for each period.
14. Describe the firm's investment and economic research capabilities and how such research is available and/or distributed to clients.
15. Describe the firm's investment manager research and analysis services:
 - a. Number of managers by asset class and style;
 - b. Other information maintained on each;
 - c. Manner by which information is obtained;
 - d. How often is information updated;
 - e. Type of database used including number of years of usable data on managers and tracking of clients, and whether the database is proprietary or purchased from an affiliated entity, or a non-affiliated vendor;
 - f. Number of firm personnel devoted to such services by asset class and style;
 - g. Approach to and due diligence for evaluating managers;
 - h. Methodology for computation of manager performance, including establishing benchmarks, and the source and size of the universe (number and size of plans and number of which are public plans);
 - i. From the managers currently being utilized by KTRS, list the managers not followed by your firm; and,

- j. Provide a list of fees and services investment managers must pay and subscribe to before the manager can be included in the firm's manager database.
16. Describe the firm's knowledge and experience in specific asset class(s) or strategy including private equity, real estate, absolute return strategies, and alternative investments.
17. Describe and/or list educational programs the firm has developed or made available to clients.
18. Describe how a client would transition to the firm's services.

D. STANDARDS OF CONDUCT

1. List all services the firm, its principals, or any affiliate provide that generate revenues for the firm and indicate the applicable percent of the firm's total revenue during the last three years. Insert % under each year for each of these

	2006	2007	2008
a. Revenues from Consulting with Plan Sponsors	_____	_____	_____
b. Revenues from Money Management activities	_____	_____	_____
c. Revenues from Services to Money Managers	_____	_____	_____
d. Revenues from Services to Plan Sponsors and other Services such as Fund of Funds fees	_____	_____	_____
e. Revenues from Broker-Dealer Affiliates or Subsidiaries	_____	_____	_____

Did these services produce 100% of the firm's revenue during the reporting period? If not, provide information regarding differences.

2. Does the firm, its principals, or any affiliate, own any part of a money management firm, broker-dealer, or other organization that: sells services to institutional investors and/or SEC registered investment advisors? If so, identify the firm(s) and describe the relationship. Does your Firm recommend any affiliated investment managers to clients?
3. Is the firm owned, in whole or in part, by a money management firm or firms? Has the firm received loans from any money management firms, their subsidiaries, or principals? Does the firm manage money for the parent or affiliate? Does the firm's parent or affiliate manage money for the firm? If so, explain.

4. Does the firm, its principals or any affiliate have any strategic alliance with any broker or investment management firm? If yes, please disclose with whom and describe the nature of the alliance.
5. Does the firm offer a broker/dealer facility to sponsor clients to pay for or offset the firm's fees? What conversion ratio ranges are clients paying when using directed brokerage to satisfy the firm's fees?
6. Are there additional services the firm offers plan sponsors through the firm's broker/dealer?
7. If the firm receives soft dollar revenues from investment managers not related to client direction through an affiliate broker, what conversion ratio is utilized? Identify any such amounts received, specifically by the firm.
8. Has the firm, its principals or any affiliate ever: (a) been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state, regulatory or self-regulatory body or organization, (b) been a party to any litigation concerning fiduciary responsibility or other investment related matters, or (c) submitted a claim to your errors & omission, fiduciary liability and/or fidelity bond insurance carrier(s)? If yes to any, please provide details.
9. What percentage of the clients pays their consulting fees to the firm through soft dollar arrangements?
10. Does the firm keep a record of all manager recommendations made to plan sponsor clients? What percentage of manager turnover occurs during a normal year for your plan sponsor clients? What is the percentage turnover in the firm's fund of funds? What expenses do your clients incur as a result of turnover recommendations?
 - a. How are consultants' recommendations to clients reviewed and monitored by your organization?
 - b. How does the firm adhere to a level of consistency in consultant recommendations?
11. For the fiscal year ending June 30, 2008, please complete the attached Investment Consultant Worksheet with specific information related to amounts the firm, its principals, or any affiliate received from each of KTRS' investment managers, identifying all revenues resulting from both direct payments and gross directed brokerage.
12. Does the firm have a written code of conduct or set of standards for professional behavior? If so, attach a copy and state how they are monitored and enforced.
13. Has the firm adopted the CFA Institute Code of Ethics and Standards of Professional Conduct? If so, how is employee compliance monitored?

14. Within the last five years, has the firm or an officer or principal been involved in litigation or other legal proceedings relating to the firm's investment consulting assignments? If so, please provide an explanation and indicate the current status or disposition.
15. Does the firm hold or sponsor investment manager or client conferences? If yes, describe such events occurring in the last year, their usual frequency, and whether the costs of such events are borne by the firm or event attendees.
16. Does the firm or any firm personnel receive finder's fees from any affiliated entity, investment manager, or third party? If yes, explain. Does the firm pay any finder's fees to any affiliated entity, investment manager, or third party?
17. Are there any potential conflicts of interest the firm would have in providing services to KTRS? If yes, explain.
18. List and describe any relationships and/or contacts the firm has had with any Kentucky official(s), KTRS Board Members and/or KTRS Staff within the last twelve months.
19. During the last three years has the firm, affiliates or principals provided anything of value in excess of twenty-five dollars (\$25) exclusive of food and beverages provided at a meeting or items required by contract to any public pension fund trustee or employee? If so, explain. To the best of your knowledge, have any public pension fund trustees or staff been found guilty of accepting such thing of value from the firm, affiliate or principal?
20. Based on the enclosed list of managers currently managing assets for KTRS, disclose any business your firm, affiliates, or parent company does with any of these investment managers.
21. What policies and procedures do you have in place to avoid or prevent conflicts of interest?
22. Are there any circumstances specifically related to your investment consulting activities under which your firm, its officers or employees receive direct or indirect compensation from investment managers or other investment-related firms? If so, describe in detail.
23. Does your firm, its parent, or any affiliate sell information, software or any other services to investment managers or other investment-related firms? If so, describe in detail.
24. Does your firm or any affiliate serve as an investment manager for clients?
25. Do you or your vendors charge direct or indirect fees for investment managers to be included in your firm's investment manager database? If so, what are the fees? How do you prevent conflicts of interest?
26. If you have an in-house database, do you sell it to third parties? If so, how do you receive compensation?

27. Do you charge investment managers any direct or indirect fees when they are successful in manager searches that you conduct on behalf of your clients? If so, what are the fees? How do you prevent conflicts of interest?
28. Describe in detail any potential conflicts of interest your firm may have in this assignment. Include any activities of affiliated or parent organizations, brokerage activities, investment banking activities, or any past or current relationships with KTRS and/or KTRS staff. Include any pertinent activities, actions, or relationships not specifically outlined in this question.
29. Describe all outside marketing/sales services for which your firm has contracted over the last three years as of December 31, 2008 for the marketing of your consulting services to the institutional tax-exempt market. Specify any such arrangements as they relate to this assignment.

E. INVESTMENT MANAGER SEARCH

1. Describe how your firm or your vendor gathers, verifies, updates and maintains the data collected on managers for the database.
2. Do you have individuals dedicated to manager research within your firm? If so, how many and where are they located? Describe their role in the manager search process.
3. How many manager searches have you completed within the last 12 months? Describe in detail your firm's process for evaluation and selection of investment managers. Give a list of criteria you use to screen your database. Detail some of the key issues you would examine in the process. Include an example of a manager search report with your response.
4. Discuss your custodian search capabilities and procedures. How many of these searches have you done in the past three years?
5. Describe your firm's involvement in preparing guidelines for investment managers. Will you work with KTRS staff in the negotiation of such guidelines? Describe your firm's capability in monitoring manager compliance with guidelines and style consistency.
6. Describe your firm's ability to customize on your client's behalf a request for proposal for the evaluation and selection of public market investment managers or do you prefer to issue your standard RFP?

F. RESEARCH

1. Describe the internal structure and organization of your research department. If no separate department exists, describe how this function is performed.
2. Describe the manner in which external resources and sources of information are used in the research process. How does your firm integrate internal and external research? Outline your process for monitoring and reporting on market trends.

3. Please describe in detail the type and frequency of research that would be provided to KTRS. Through what media would it be provided? Please provide samples of recent research reports.

G. REPORTING

1. List all reports routinely provided to clients.
2. Describe and/or provide samples of reports which would meet the type of reporting described under Scope of Services.

H. FEES AND CONTRACT

1. Provide the annual fee for all services proposed to be provided by the firm. Specify the services included in the fee proposal. The quote should assume a one-year contract and include all travel and other out-of-pocket expenses.
2. List any additional services not listed in the fee proposal above that would incur additional fees as special or other services.
3. Attach a sample contract.

X. TERMS AND CONDITIONS

KTRS makes no representations or warranties, expressed or implied, as to the accuracy or completeness of the information in the RFP and nothing contained herein is or shall be relied upon as a promise or representation, whether as to the past or the future. The RFP does not purport to contain all of the information that may be required to evaluate the RFP and any recipient hereof should conduct its own independent analysis of KTRS and the data contained or referenced herein. KTRS does not anticipate updating or otherwise revising the RFP. However, this RFP may be withdrawn, modified, or re-circulated at any time at the sole discretion of KTRS.

KTRS reserves the right, at its sole discretion and without giving reasons or notice, at any time and in any respect, to alter these procedures, to change and alter any and all criteria, to terminate discussions, to accept or reject any Response, in whole or in part, to negotiate modifications or revisions to a Response and to negotiate with any one or more respondents to the RFP.

KTRS is not and will not be under any obligation to accept, review or consider any Response to the RFP, and is not and will not be under any obligation to accept the lowest offer submitted or any offer at all. KTRS is not and will not be under any obligation to any recipient of, or any respondent to, the RFP except as expressly stated in any binding agreement ultimately entered into with one or more parties, either as part of this RFP process, or otherwise.

This RFP is not an offer but a request to receive a Response. KTRS will consider a Response as an offer to develop an agreement based upon the contents of the

Response. Respondents agree that the contents of their Responses are valid for one year from the date of submission. KTRS will not be liable for any cost incurred in the preparation of a Response and will not reimburse any respondents for their submission. Expenses related to the production of a Response are the sole responsibility of the Respondent.

Any Response submitted will become the property of KTRS. KTRS reserves the right to retain all Responses submitted, and to use any information contained in a Response except as otherwise prohibited by law. All Responses and the contents thereof will be deemed to be public record open to public inspection after the conclusion of the RFP process and award and execution of a contract, if any; provided that all proprietary information, "trade secret", if clearly marked as such, will not be disclosed except as required by law.

KENTUCKY TEACHERS' RETIREMENT SYSTEM PROFESSIONAL SERVICE PROVIDERS

Real Estate Managers

Prudential Real Estate Investors

Private Equity/Venture Capital

Kohlberg Kravis Roberts & Co.

Chrysalis Ventures

Fort Washington Private Equity Investors

Alinda Infrastructure

Capital South

Riverstone/Carlyle Group

Investment Custodian/Subcustodian

Farmers Bank and Capital Trust Co.

The Bank of New York Mellon

Fixed Income Managers

Galliard Capital Management

Ft. Washington Investment Advisors

Timberland Managers

Molpus Woodlands Group

Hancock Natural Resources Group

Domestic Equity Managers

Todd Investment Advisors

UBS Global Asset Management

Wellington Asset Management

GE Asset Management

International Equity Managers

Todd Investment Advisors

UBS Global Asset Management

Baring Asset Management, Inc.

Baillie Gifford

Actuary

Cavanaugh Macdonald Consulting

INVESTMENT CONSULTANT WORKSHEET

Money Management
Firm Name

Cash	Brokerage	Cash	Brokerage	Cash	Brokerage	Cash	Brokerage

Client Directed
Payments

Products Purchased
by Money Managers

Performance Measurement							
Marketing/Strategic Placement							
Educational Conferences							
Software							
Style Analysis							

Non-Product Related
Manager Payments

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Grand Total							
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